

## Question Q217

**National Group:** Philippine Group

**Title:** The patentability criterion of inventive step / non-obviousness

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**Reporter within Working Committee:**

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### Questions

#### I. Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

#### Level of inventive step / non-obviousness

1. What is the standard for inventive step / non-obviousness in your jurisdiction? How is it defined?

#### Answer:

Sec. 26 of our IP Code provides:

“Inventive Step – An invention involves an inventive step if, having regard to prior art, it is not obvious to a person skilled in the art at the time of the filing date or priority date of the application claiming the invention.”

It may be seen from the above provision that inventive step and non-obviousness is closely interlinked and that the definition of a “person skilled in the art” is crucial since the standard of inventiveness depends on whether it is obvious to a “person skilled in the art.”

2. Has the standard changed in the last 20 years? Has the standard evolved with the technical / industrial evolution of your jurisdiction?

#### Answer:

The standard has changed in the last 20 years. Under Sec. 7 of the former patent law, namely, Republic Act No. 165, which was in effect from June 20, 1947 to December 31, 1997, the following is provided:

“Inventions Patentable – Any invention of a new and useful machine, manufactured product or substance, process, or an improvement of any of the foregoing, shall be patentable.” (underscoring ours).

On the other hand, Section 21 of the new IP Code which took effect on January 01, 1998 provides:

“Sec. 21. Patentable Inventions – Any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable shall be patentable. It may be, or may relate to, a product, or process, or an improvement of any of the foregoing.” (Underscoring ours).

Under Sec. 21 (supra) of the present Intellectual Property Code (Republic Act No. 8293), which took effect in January 1, 1998, the definition of patentable inventions has undergone a change. Sec. 21 has incorporated the element of “inventive step” and “industrial applicability” into the definition of a patentable invention and in the process has replaced the words “new” and “useful” which were employed in Section 7 of the former Patent Law.

3. Does your patent-granting authority publish examination guidelines on inventive step / non-obviousness? If yes, how useful and effective are the guidelines?

**Answer:**

Yes, the Philippine Intellectual Property Office has a book containing examination guidelines on non-obviousness/inventive step. The guidelines which are described in detail are very useful to examiners because they are provided with a road map on how to determine inventive step/non-obviousness.

4. Does the standard for inventive step / non-obviousness differ during examination versus during litigation or invalidity proceedings?

**Answer:**

The standard for non-obviousness/inventive step should be the same whether it is during examination or during litigation or invalidity proceedings. However, issues in a litigation proceeding involving inventive step/non-obviousness have already been resolved and addressed by a patent office earlier and they shed light on the issue in a pending case.

As regards invalidity proceedings, the attacker of a patent's validity should present new, unrevealed prior art or other invalidating proof that is at least of the same strength as in strictly patent prosecution proceedings.

In infringement cases, the quality and quantity of evidence may have to be stronger. There is a penal sanction in case of infringement and in the Philippines, to convict a person of a criminal offence, the degree of evidence required is evidence beyond reasonable doubt.

## Construction of claims and interpretation of prior art

5. How are the claims construed in your jurisdiction? Are they read literally, or as would be understood by a person skilled in the art?

### Answer:

Sec. 36 of our IP Code provides the guidelines on how claims are to be worded, thus:

“Sec. 36. The Claims –

36.1 The application shall contain one (1) or more claims which shall define the matter for which protection is sought. Each claim shall be clear and concise, and shall be supported by the description. (Underscoring ours).

36.2 The Regulations shall prescribe the manner of the presentation of claims.”

The relevant portions of the Rules and Regulations on Inventions mirror the IP Code provisions, thus:

“Rule 415. Claim –

- a) The specification must conclude with a claim particularly pointing out and distinctly claiming the part, improvement, or combination which the applicant regards as his invention.
- b) The application may contain one (1) or more independent claims in the same category, (product, process, apparatus or use) where it is not appropriate, having regard to the subject matter of the application, to cover this subject matter by a single claim which shall define the matter for which protection is sought. Each claim shall be clear and concise, and shall be supported by the description.

x x x x

d) The claim or claims must conform to the invention as set forth in the description made in the specification, and the terms and phrases used in the claims must find clear support or antecedent basis in the said description, so that the meaning of the terms in the claims may be ascertainable by reference to the description. Claims shall not, except where absolutely necessary, rely in respect of the technical features of the invention, on references to the description or drawings. In particular, they shall not rely on such references as: “as described in part xxx of the description” or, “as illustrated in figure xxx of the drawings.”

“Rule 416. Form and Contents of the Claims – The claims shall define the matter for which protection is sought in terms of the technical features of the invention. Wherever appropriate the claims shall contain:

- a) a statement indicating the designation of the subject matter of the invention and those technical features which are necessary for the definition of the claimed subject matter but which, in combination, are part of the prior art;

- b) a characterizing portion preceded by the expression “characterized in that” or “characterized by” – stating the technical features which, in combination with the features stated in subparagraph (a), it is desired to protect; and
- c) if the application contains drawings, the technical features mentioned in the claims shall preferably, if the intelligibility of the claim can thereby be increased, be followed by reference signs relating to these features and placed between parentheses. These reference signs shall not be construed as limiting the claim.” (Underscoring ours).

Based on the above provisions of law and regulations on claims where there is no reference to a “person skilled in the art,” it appears that claims are to be read literally.

- 6. Is it possible to read embodiments from the body of the specification into the claims?

**Answer:**

Based on the above-cited provisions of Rule 415 (d) of the Regulations, the answer appears to be in the affirmative.

x x x x

“d) The claim or claims must conform to the invention as set forth in the description made in the specification, and the terms and phrases used in the claims must find clear support or antecedent basis in the said description, so that the meaning of the terms in the claims may be ascertainable by reference to the description. Claims shall not, except where absolutely necessary, rely in respect of the technical features of the invention, on references to the description or drawings. In particular, they shall not rely on such references as: “as described in part xxx of the description” or, “as illustrated in figure xxx of the drawings.”

- 7. How is the prior art interpreted? Is it read literally or interpreted as would be understood by a person skilled in the art? Is reliance on inherent disclosures (aspects of the prior art that are not explicitly mentioned but would be understood to be present by a person skilled in the art) permitted?

**Answer:**

To illuminate the issue, we should first quote the provisions of our IP Code on prior art:

“Sec. 24. Prior Art – Prior art shall consist of:

24.1. Everything which has been made available to the public anywhere in the world, before the filing date or the priority date of the application claiming the invention; and

x x x x

In other words, it can be said that prior art is the state of the art at the time prior art is to be determined.

And based on the provisions of Sec. 26 quoted above (supra, Question No. 1), it is that which is understood by a person skilled in the art as prior art. Yes, inherent disclosures should be permitted since the view of a person skilled in the art is the measuring stick.

8. Do the answers to any of the questions above differ during examination versus during litigation?

**Answer:**

Please refer to our answer to Question No. 4.

**Combination or modification of prior art**

9. Is it proper in your jurisdiction to find lack of inventive step or obviousness over a single prior art reference? If yes, and assuming the claim is novel over the prior art reference, what is required to provide the missing teaching(s)? Is argument sufficient? Is the level of the common general knowledge an issue to be considered?

**Answer:**

Yes. The Philippines follows the principle of absolute novelty.

First, the present state of the art in the field of invention in issue should be established. Then the difference between the state of the art and the claimed invention should be shown, that is, there is a measurable distance between the state of the art and the claimed invention, a distance or gap which equates to a new and inventive idea. And the one to determine this is a person skilled in the art covering the field of invention in issue.

Argumentation, by itself alone will not be sufficient. There should be an independent demonstration of the above difference between the state of the art and the claimed invention and this difference should be considerable.

Common general knowledge may be considered only in the sense that a person skilled in the art is aware of it. Thus, Rule 207 of our Rules of Practice in Patent Cases provides as follows:

“Person Skilled in the Art – The person skilled in the art is presumed to be an ordinary practitioner aware of what was common general knowledge in the art at the relevant date. He is presumed to have knowledge of all references that are sufficiently related to one another and to the pertinent art and to have knowledge of all arts reasonably pertinent to the particular problems with which the inventor was involved. He is presumed also to have had at his disposal the normal means and capacity for routine work and experimentation.

10. What is required to combine two or more prior art references? Is an explicit teaching or motivation to combine required?

**Answer:**

Combining two or more prior art references will be required if it will show the non-patentability of a claimed invention.

In the case of *Nissin vs. Inoue*, Decision No. 82-77, November 9, 1982, the Philippine Director of Patents, citing American jurisprudence, held that “where two or more prior art references are combined to negative patentability, the test applied is whether the prior art suggests doing what the applicant did; it must be considered whether one skilled in the art, with reference before him, could have made the combination of elements claimed without exercise of invention.”

As to the second question, the U.S. case of *Pro-Mold and Tool Company Inc. v. Great Lakes Plastics, Inc.*, USCA Federal Court, February 3, 1996, which has persuasive effect in the Philippines, provides when the combination is required:

“If the invention is different from what is disclosed in one reference, but the differences are such that combination with another reference would lead to what is claimed, the obviousness question then requires inquiry into whether there is a reason, suggestion, or motivation to make that combination.”

11. When two or more prior art references are combined, how relevant is the closeness of the technical field to what is being claimed? How relevant is the problem the inventor of the claim in question was trying to solve?

**Answer:**

Very relevant. The suggestion to combine may come from the references themselves. Persons skilled in a particular art will know that certain references or disclosures therein are of special interest or significance in that particular field.

The problem the inventor is trying to solve is also very relevant because it induces or encourages inventors or persons skilled in the art to look at other references which discuss or teach possible solutions to the problem.

12. Is it permitted in your jurisdiction to combine more than two references to show lack of inventive step or obviousness? Is the standard different from when only two references are combined?

**Answer:**

As may be gleaned from the above discussions, yes.

Based also on the discussion and authorities cited in the previous questions, it appears that the standard is the same.

13. Do the answers to any of the questions above differ during examination versus during litigation?

**Answer:**

Same as the Answer to No. 4.

**Technical Problem**

14. What role, if any, does the technical problem to be solved play in determining inventive step or non-obviousness?

**Answer:**

The technical problem to be solved has a crucial, nay, indispensable role because of the very definition of invention under Sec. 21 of our IP Code, namely:

“Patentable Inventions – Any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable shall be patentable. It may be, or may relate to, a product, or process, or an improvement of any of the foregoing.”

15. To what degree, if any, must the technical problem be disclosed or identified in the specification?

**Answer:**

Our Rules of Practice in Patent Cases provide the answer:

“Rule 405. Disclosure and Description of the Invention – The application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art.

Rule 406. Test for Enabling Disclosure – The test for enabling disclosure is whether the persons to whom it is addressed could, by following the direction therein, put the invention into practice.

Rule 407. Contents of the Description –

1. The description shall:

- a) Specify the technical field to which the invention relates:
- b) Indicate the background art which, as far as known to the applicant, can be regarded as useful for understanding the invention, for drawing up the search report and for the examination, and, preferably, cite the documents reflecting such art;
- c) Disclose the invention, as claimed, in such terms that the technical problem (even if not expressly stated as such) and its solution can be understood, and state any advantageous effects of the invention with reference to the background art;

- d) Briefly describe the figures in the drawings, if any;
- e) When there are drawings, there shall be a brief description of the several views of the drawings and the detailed description of the invention shall refer to its different parts, as shown in the views, by use of reference letters or numerals (preferably the latter);
- f) Describe in detail at least one way of carrying out the invention claimed using examples where appropriate and referring to the drawings, if any; and
- g) Indicate explicitly, when it is not obvious from the description or nature of the invention, the way in which the invention is capable of exploitation in industry.

### **Advantageous effects**

16. What role, if any, do advantageous effects play in determining inventive step or non-obviousness?

#### **Answer:**

Advantageous effects which do not amount to an entirely new, novel and inventive concept will not be determinative of an inventive step or non-obviousness.

17. Must the advantageous effects be disclosed in the as-filed specification?

**Answer:** YES, assuming that these advantageous effects amount to a novel concept which is noticeably apart from the state of the art.

18. Is it possible to have later-submitted data considered by the Examiner?

**Answer:** YES, depending on the stage of prosecution of the patent.

19. How “real” must the advantageous effects be? Are paper or hypothetical examples sufficient?

**Answer:** The advantageous effect should be real because of the provisions of Sec. 27 of the IP Code stating that an invention that can be produced and used in any industry should be industrially applicable.

Paper or hypothetical examples may not be sufficient but may serve as additional arguments regarding advantageous effects.

20. Do the answers to any of the questions above differ during examination versus during litigation?

**Answer:** Same Answer as our answer to No. 4.



## Teaching away

21. Does your jurisdiction recognize teaching away as a factor in favor of inventive step / non-obviousness? Must the teaching be explicit?

### Answer:

Yes. It must be clear that the prior art teaches away from the claimed invention.

22. Among the other factors supporting inventive step / non-obviousness, how important is teaching away?

### Answer:

Teaching away is as important as other factors supporting inventive step/non-obviousness. It may be argued that it is another way of expressing “surprising, unexpected results” or unobviousness.

23. Is there any difference in how teaching away is applied during examination versus in litigation?

### Answer:

Same answer as our answer to No. 4.

## Secondary considerations

24. Are secondary considerations recognized in your jurisdiction?

### Answer:

Yes.

25. If yes, what are the accepted secondary considerations? How and to what degree must they be proven? Is a close connection between the *claimed* invention and the secondary considerations required?

### Answer:

The US case of United States Surgical Corporation vs. Ethicon, Inc. and Johnson & Johnson Hospital Services, Inc., United States Court of Appeals for the Federal Circuit, January 3, 1997 which is of persuasive effect in the Philippines enumerates the secondary considerations as follows:

One, whether the alleged invention was commercially successful;

Two, whether the alleged invention satisfied a long-felt need in the art;

Three, whether others were unsuccessful in making the alleged invention;

Four, whether the alleged invention was copied by others in the art;

Five, whether the alleged invention received praise from others in the art;

Six, whether the alleged invention departed from other principles of the art.

As enunciated in the said United States Surgical Corporation case:

“In order to determine that secondary considerations such as commercial success are evidence of non-obviousness, there must be a causal connection between the potential features of the invention and the commercial success of the device. If commercial success is attributable to the potential features, then it is evidence of non-obviousness.”

26. Do the answers to any of the questions above differ during examination versus during litigation?

**Answer:**

Same answer as our answer to No. 4.

#### **Other considerations**

27. In addition to the subjects discussed in questions 4 - 26 above, are there other issues, tests, or factors that are taken into consideration in determining inventive step / non-obviousness in your jurisdiction? If yes, please describe these issues, tests, or factors.

**Answer:**

None.

#### **Test**

28. What is the specific statement of the test for inventive step/non-obviousness in your jurisdiction? Is there jurisprudence or other authoritative literature interpreting the meaning of such test and , if so, provide a brief summary of such interpretation.

**Answer:**

Sec. 26 of our IP Code makes that specific statement, thus:

“Sec. 26. Inventive Step – An invention involves an inventive step if, having regard to prior art, it is not obvious to a person skilled in the art at the time of the filing date or priority date of the application claiming the invention.

There is a dearth of Philippine cases on inventive step/non-obviousness but the doctrines in U.S. cases on the issue are of persuasive effect in the Philippines.

29. Does such test differ during examination versus during litigation?

**Answer:**

Same as our answer to No. 4.

**Patent granting authorities versus courts**

30. If there are areas not already described above where the approach to inventive step / non-obviousness taken during examination diverges from that taken by courts, please describe these areas.

**Answer:**

None.

31. Is divergence in approach to inventive step / non-obviousness between the courts and the patent granting authority in your jurisdiction problematic?

**Answer:**

No.

**Regional and national patent granting authorities**

32. If you have two patent granting authorities covering your jurisdiction, do they diverge in their approach to inventive step / non-obviousness?

**Answer:** We have only one patent granting authority, the Intellectual Property Office.

33. If yes, is this problematic?

**Answer:**

N/A.

**II. Proposals for harmonization**

The Groups are invited to put forward proposals for the adoption of harmonised rules in relation to the patentability criteria for inventive step / non-obviousness. More specifically, the Groups are invited to answer the following questions without regard to their national laws:

34. Is harmonization of inventive step / non-obviousness desirable?

**Answer:**

Yes.

35. Is it possible to find a standard for inventive step / non-obviousness that would be universally acceptable?

**Answer:**

Yes.

36. Please propose a definition for inventive step / non-obviousness that you would consider to be broadly acceptable.

**Answer:**

We believe that the definition of inventive step/non-obviousness, namely, as expressed in Sec. 26 (supra) should be broadly acceptable.

37. Please propose an approach to the application of this definition that could be used by examiners and by courts in determining inventive step / non-obviousness.

**Answer:**

One approach that may be critical is the formulation of a universal definition of a "person skilled in the art" as an indispensable factor in determining inventive step/non-obviousness, which should be acceptable to all jurisdictions in order that there will be no conflicting rulings by both the examiner and by courts in determining inventive step/non-obviousness.